



State of Utah

Department of Natural Resources

ROBERT L. MORGAN
Executive Director

Division of Oil, Gas & Mining

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

May 10, 2004

CERTIFIED RETURN RECEIPT
7099 3400 0016 8896 0273

Steve Sorenson
KSC Rocks
235 North Main
Kanosh, Utah 84637

Subject: Deficient Notice of Intention to Amend Small Mining Operations Plan,
KSC Rocks., KSC #1 Mine, S/041/027, Sevier County, Utah

Dear Mr. Sorenson:

On May 3, 2004, we received (via fax from the BLM) a copy of your notice to add three exploration trenches, 40 ft long by 10 feet deep by 4 feet wide, approximately 50 feet in distance in the SW1/4 SE1/4 NW1/4 of Section 24, T26S, R4W, Sevier County, Utah. Because this notice is within the vicinity of your KSC #1 mine location site (Section 23), we have amended this proposal to that permit.

We have completed our review of your proposal and find that it is deficient for the following two reasons:

- 1) The information satisfies the requirements of R647-3; however, **reclamation bonding is now required** of all sites. Because you have nearly completed reclamation of the existing KSC #1 site, the total disturbed area for this amended portion is less than one acre; therefore, a \$5,000 reclamation surety will be required, along with a Reclamation Contract; and
- 2) The permit fee was not received for the 2003-2004 fiscal year as you were last notified in September 2003. At that time, you were informed that your mining permit was suspended and no mining related activity could take place until the permit fee was taken care of. Therefore, \$150.00 permit fee is also due at this time.

Another billing statement is enclosed for your use. Please be advised that the permit fee will again be due in July for the 2004-2005 fiscal year. You can

Steve Sorenson
Page 2 of 2
S/041/027
May 10, 2004

include the next year permit fee along with this submittal if you so desire; otherwise, you will receive another billing statement toward the end of June for the next fiscal year.

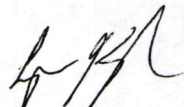
We have enclosed a Reclamation Contract (form MR-RC) for your use. We will accept surety bonds, certificates of deposit, letters of credit or cash as types of surety. However, please be advised that if you post cash as the surety, the State Treasurers office will require additional monies to administer the paperwork for this type of surety. The surety bond, letter of credit or certificate of deposit will need to include both the Division and the BLM as beneficiaries. When you determine the type of surety you wish to post for this site, please contact Joelle Burns at (801) 538-5291 to obtain the current bonding form, or you may download the forms from the internet at www.ogm.ut.gov. PLEASE PROVIDE US WITH "DRAFT" COPIES OF THESE DOCUMENTS BEFORE THEY ARE FINALIZED so we can check them for completeness and accuracy.

Please be advised that you are not allowed to expand into this new amended area until these deficiencies are resolved of and you have received written authorization to proceed from this office as well as from the BLM.

Please furnish the requested information within the next 30 days (or notify us and provide sufficient justification to extend this timeframe), or we will deny your proposal, and possibly require immediate reclamation of all existing disturbance.

Thank you for your cooperation in finalizing this permitting action. It has been a pleasure working with you in the past, and I hope that relationship can continue. Please call me if you have any questions in this regard.

Sincerely,



Lynn Kunzler
Senior Reclamation Biologist

jb
Enclosure: billing statement, MR-RC
cc: Michael Jackson, BLM, Richfield FO
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State of Utah

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Robert L. Morgan
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

KSC ROCKS
235 N MAIN
KANOSH UT 84637

ATTENTION: STEVE SORENSON

DELINQUENCY NOTICE

Annual Permit Fees (July 2003 thru June 2004)

PROJECT NAME	PROJECT ID	ACRES	BILLING DATE
KSC #1	S410027	NA	06/27/2003
PERMIT TYPE	PROJECT STATUS	ANNUAL FEE	
SMALL MINING OPERATION < 5 ACRES	RECLAIMED	\$ 150	

DUE DATE	AMOUNT DUE
07/25/2003	\$ 150

Please see enclosed instructions for payment.

Please retain this portion for your records. For billing information call (801) 538-5291

This portion MUST be returned with your payment to ensure proper credit. THANK YOU

ACCOUNT BILLED		PROJECT NAME		PROJECT ID
KSC ROCKS		KSC #1		S410027
DUE DATE	ANNUAL FEE	AMOUNT DUE	<input type="checkbox"/> FEE NOT ENCLOSED	
07/25/2003	\$ 150	\$ 150	Permittee requests an inspection to close out this permit.	
TAX ID OR SOCIAL SECURITY #				

DIVISION OF OIL GAS AND MINING
1594 WEST NORTH TEMPLE SUITE 1210
PO BOX 145801
SALT LAKE CITY UT 84114-5801

Change of Address	
Contact	
Address	
E-mail address	
State	Zip
Phone	

Please make check payable to:
Division of Oil, Gas and Mining